



Testimony prepared for:
House Finance and Taxation Committee
Prepared January 26, 2021
Lori Hanson, Director of Tax Equalization
Mountrail County

RE: Opposition Testimony for House Bill 1372

Dear Chairman Headland and Honorable Members of the House Finance and Taxation Committee:

I am respectfully requesting you to support a **“DO NOT PASS”** on House Bill 1372 relating to the optional residential property tax freeze for owners who are disabled or age 65 or older.

A residential property tax freeze for owners who are disabled or age 65 or older, shifts the tax burden to those under the age of 65 along with shifting the tax burden to the other property classes (commercial and agricultural).

Currently, under North Dakota Century Code 57-02-08.1, an individual who is 65 years of age or older may apply for what is known as the Homestead Credit. The application filed needs to meet ownership, income and assets requirements. There is a limitation on income – not in excess of \$42,000, assets not in excess of \$500,000. The maximum reduction allowed is a \$5,625 taxable value which equates to a true and full value of \$125,000.

North Dakota Century Code 57-02-08.8 is in regards to the disabled veteran’s credit for those individuals who have a service-connected disability of fifty percent or greater. An application needs to be filed with supporting documents for the disability or disability rating as determined by the department of veteran’s affairs along with their honorable discharge papers. Currently, the maximum reduction allowed is \$6,750 of taxable valuation which equates to a true and full value of \$150,000 for a homestead owned and occupied by the disabled veteran or unremarried surviving spouse.

Senate Bill 2213 which is being heard before the Senate Finance and House Committee requests an increase to the maximum reduction allowed to \$11,250 which equates to a true and full value of \$250,000. I do support enhancements and believe that this should be carried through with the Homestead Credit (57-02-08.1) too.

Since the Homestead Credit and the Disabled Veteran’s Credit already exist in the Century Code, I would suggest enhancements could be made to the existing Century Code to meet the intent of HB 1372. As the bill stands, I would support a **“DO NOT PASS”**.

Thank you for your consideration.

Sincerely,

Lori Hanson
Mountrail County Director of Tax Equalization